

# NAVY PETROLEUM OFFICE NEWSLETTER



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MARCH 1999

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## NAVPETOFF CELEBRATES CHANGE OF COMMAND

26

June 1998 marked the passing of the 21st Change of Command authority of the Navy Petroleum Office (SUP 40) from CAPT Hank Carpenter to CAPT Stu Funk. The ceremony also marked the retirement of CAPT Hank Carpenter.



*CAPT Carpenter, RADM Lippert, Vice Commander, NAVSUP and CAPT Funk prepare to cut the cake during the Change of Command reception.*

Guest speaker, RADM Keith W. Lippert, SC, USN, Vice Commander, Naval Supply Systems Command praised CAPT Carpenter for his outstanding work while assigned to NAVPETOFF. Admiral Lippert presented CAPT Carpenter with the Legion of Merit expressing to him the significant achievements he had made throughout his Naval career and to the NAVPETOFF.

The Change of Command also marked the end to CAPT Carpenter's military career. CAPT Carpenter officially retired on 1 August 1998 with 26 years of distinguished service in supply, business and financial management, procurement and contracting and command of the Navy

Petroleum Office. CAPT Carpenter and his family will remain in the Washington area.

CAPT Stu Funk comes to NAVPETOFF from the Chief of Naval Operations (N81), Navy Assessment Division where he served as a Support and Infrastructure Analyst. CAPT Funk's assignments have included duty in the areas of fuel management and budget development. He has served on the staff of CINCPACFLT, Pearl Harbor as the Fleet Fuel Systems Officer and the Sub Area Petroleum Officer. He was the Requirements Officer at NAVPETOFF; Staff Petroleum Officer for plans and theater reserves at the U.S. European Command in Stuttgart, Germany; and Deputy Program Manager for Business Financial Management on the Airborne Self-Protection Jammer (ASPJ) Program (PMA-272). Having worked all aspects of the petroleum business, CAPT Funk comes to NAVPETOFF with a wealth of knowledge and experience.



*CAPT Carpenter receives his retirement certificate from RADM Lippert, Vice Commander, NAVSUP.*

## AVIATION INTO-PLANE REIMBURSEMENT (AIRCARD) UPDATE

The Defense Energy Support Center (DESC) expanded the Aviation Into-Plane Reimbursement (AIR) Card Program on 1 Oct 1998 to include usage at DESC into-plane contract locations. Government aircrews will use their AIRCARDS (also known as AVCARDS) in lieu of their DoD identaplates at commercial airports which have into-plane contracts. The blue and white, Jet Fuel Identaplate (DD 1896) and the purple, AVGAS Identaplate (DD 1897), are being phased out from use at commercial airports. The DoD identaplates will only be used at military installations. Any questions concerning the program can be directed to Ms. Vivian Williamson, (703) 767-7348, DSN 427-7348.

### Inside this issue.....

- CAPT STU FUNK ASSUMES COMMAND OF NAVPETOFF (PAGE 2)
- 1998 NAVY & MARINE POL CONFERENCE (PAGE 3)
- (FAS)CINATING DEVELOPMENTS (PAGE 3)
- GROUND FUEL TAX REFUNDS (PAGE 4)
- MRE PROGRAM (PAGE 6)
- DFSP GUAM COMMERCIAL ACTIVITIES STUDY RESULTS IN (PAGE 7)
- FY99 STANDARD FUEL PRICES (PAGE 7)
- WATER FINDING PASTES (PAGE 9)
- AND MUCH MORE.....

# CAPTAINS CORNER

**T**his marks my inaugural note to you...the members of the "fuel community". I am very excited to be working with such dedicated professionals, both here at the Navy Petroleum Office and in the field. Having been aboard for a little over 8 months, I have talked or visited with many of you and have conversed with many of the COs that you support. I hope to get out and see many more of you and your facilities in the coming months. Based on my firsthand experiences, coupled with the comments from those you serve, you are all doing exceedingly well. Be it satisfying the fuel requirements of RIMPAC forces, supporting the short notice hurricane sorties, managing fuel related project lists or overseeing the A-76 process, you are getting the job done...and done well. Many things are underway, most of which are in this newsletter. Most of the articles don't need any additional comments from me... but there are a couple of areas I would like to highlight:

**Communication:** This newsletter represents one method of communication, allowing us to periodically update you on current issues and initiatives. I hope that you find the material interesting as well as informative. This particular newsletter also represents the second one posted on the NAVPETOFF homepage. The homepage ([www.navpetoff.navy.mil](http://www.navpetoff.navy.mil)) represents another medium for keeping you informed and in touch with fuel related topics. The homepage is there to satisfy the community needs...let us know if there is additional information that would help and aid you in the performance of our mission. We will continue to use phone, fax, email, and messages as appropriate to keep you informed and in the loop. I need your help in keeping us informed here at NAVPETOFF on the problems (FAS, A-76, operations, inventory, projects, etc) before they become significant/unsolvable. Communication is a two way process, and we want to hear from you!

**Recognition:** Congratulations to the 1998 API winners-FISC Yokosuka, NAS

North Island and MCAS Cherry Point. I hope to see even more...and stronger...competition for the 1999 awards. Good luck! Congratulations are also in order for those on the most recent promotion lists for Captain, Commander, and Lieutenant Commander. Although I would like to report a 100% selection rate for fuelies, I am encouraged by the numbers mentioned in the newsletter article. We here at NAVPETOFF will strive to work with you and OP to keep career planning, service needs and personal interests in the proper balance to ensure competitiveness.

**Recent Events:** The DESC Worldwide Energy Conference was held 25-29 January 1999 at the Crystal City Hyatt Regency Hotel. The first day of the conference was designated Services Day and we conducted an agenda for the Navy/Marine Corps. The conference was a great success and I was glad to see so much participation! The briefings that were given during the Navy/Marine Day can be found on our website at <http://www.navpetoff.navy.mil>.

**Farewells:** In addition to those mentioned herein as retiring over these past few months, I wanted to also add to the list and recognize RADM Dave Ruble for his many enduring contributions to the fuel community over the last 20 years. His leadership and insight will be missed. As the enclosed article advises, I am extremely saddened to report the passing of one of our fuelie brethren...CAPT Doug Falconer (USN, SC, retired). Doug was the consummate professional and an inspiring leader.

We in the fuel community have a lot on our plates today. Providing uninterrupted fuel support to the fleet while at the same time seeking efficiencies in operations and recapitalizing our fuel facilities present many of us with some difficult resource decisions. Continue to use your experience and professionalism to address those issues as much as possible...and use us here at the NAVPETOFF



**CAPT Stu Funk, SC, USN, 22nd Commanding Officer, Navy Petroleum Office.**

for help and support as necessary. I look forward to working with you to meet the challenges ahead.

**Take care --and have fun!!!**

## PROMOTIONS AND RETIREMENTS

**T**he FY99 selection board results are out for Supply Corps Captains, Commanders, and Lieutenant Commanders. Congratulations are in order for the following fuelies:

### O-6s

CAPT David Douglas  
(USS SACRAMENTO)

CAPT Marvin Wenberg  
(US STRATCOM)

### O-5s

CDR Wayne Williamson  
(USCINCSOUTH)

### O-4s

LCDR Michael Gardella  
(University of Kansas)

Continued on Page 4  
LCDR Riccardio Gay

## 1998 NAVY AND MARINE CORPS POL CONFERENCE

**T**he biennial Navy and Marine Corps POL Conference was held at the Defense Logistics Agency Headquarters Complex at Fort Belvoir, Virginia, on 19-20 May 1998. Over 90 people attended, with some coming from as far away as Japan and Italy. The theme of the conference was "Entering the New Millennium" and consisted of 18 informative presentations by representatives from the Defense Energy Support Center (formerly DFSC), NAVAIR and NAVPET. There were also 15 breakout sessions during which current fuel issues were discussed, information was shared, and 16 action items were developed.

For the first time ever, an API Awards Ceremony was held during the conference to centrally recognize the outstanding performances of the Navy bulk fuel terminals and air stations and Marine Corps fuel activities. RADM David R. Ruble (Director, Logistics/Fleet Supply Officer for CINCLANTFLT); Brigadier General Paul M. Lee, Jr. (Director, Logistics Plans, Policies and Strategic Mobility Division, HQMC); Mr. Red Cavaney (President and Chief Executive Officer of the American Petroleum Institute); and Captain Hank Carpenter (Commanding Officer of the Navy Petroleum Office) presented the awards to the winners and runner-ups.

Based on the 47 conference critiques received, the POL Conference was a complete success. The attendees liked the conference format (94%), the presentations (98%), and breakout sessions (79%). Thanks to all who attended the conference and especially those who made it a success.



*Mr. John Cummings, NAVAIR addresses the JP8+100 issue during his brief to conference attendees.*



*Conference attendees gather outside of the auditorium for the API Award Ceremony reception.*



*RADM Ruble, CINCLANTFLT and Gussie Wilson, NAVPETOFF discussing old times at NAVPETOFF during the API Award Ceremony reception.*

## (FAS)CINATING DEVELOPMENTS!

**D**eployment of the Fuels Automated System (FAS) at all Phase I/IIA (aviation fuels) sites maintaining capitalized bulk fuel product continued through October 1998. FAS continues to be a major focus at the Navy Petroleum Office and again we support your exemplary efforts from the field as we continue deployment.

In November 1997, as a result of numerous problems uncovered by sites receiving FAS (specifically the 1021 version of the FCC module), NAVPETOFF recommended to the FAS PMO that no further software/site training deployment be conducted to the remaining Navy Phase IIA sites. In February 1998, Coggins Systems provided an enhancement and improvements to the 1021 version of Fuels Control Center (FCC) module and several Navy test sites (NAS Cecil Field and FISC Jacksonville) participated in a rigorous test process. This enhanced version, baselined as FCC1023, will provide for further functionality within the program including the ability to use FCC to send and receive DFAMS information. This thereby eliminates the need to also input fuel data into the existing DFAMS computers currently being used at Navy/Marine Corps field activities. Additionally, the 1023 upgrade will include an upgrade to the FAS computers' operating systems from NT 3.51 to NT 4.0. This upgrade to all currently deployed FAS sites continued through October 1998, concurrent with any initial FAS deployments. We would like to take this opportunity to personally thank all of you who have most patiently assisted in the success of this deployment and subsequent upgrade thus far.

A new release, FCC1024, has completed Beta testing at the following sites: MCAS Quantico, NAS North Island, NAS Cecil Field, FISC Norfolk, and FISC Jacksonville. Beta testing ran through the end of September. Release of this 1024 version to all Navy/Marine Corps FAS Phase

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## PROMOTIONS AND RETIREMENTS

(Continued)

### (USS CONSTELLATION)

LCDR Rudy Geisler  
(University of Kansas)

LCDR Tracy Keenan  
(PG School Monterey)

LCDR Mathew Martin  
(USS SACRAMENTO)

LCDR Walter Robohn  
(University of Kansas)

FY99 selection rates for fuelies were 50% for O-6 (2 for 4), 50% for O-5 (1 for 2), and 86% for O-4 (6 for 7).

Farewells and following seas are also in order for several of our newest retirees. Included with Captain Hank Carpenter (see farewell notes in this newsletter), CDR's Marc McConahy, Gary Kelly, Ed Deguia, Chris Steele, and Mike Nowland have retired since the last newsletter editions. Amongst our Marine Corps brethren, CWO5 David Willoughby and CWO3 Gary Huysman also joined the retiree roles. We wish you and your families the best as you commence new careers!

## DEATH OF CAPT DOUG FALCONER

It is with great regret that we write about the recent death of Captain Doug W. Falconer, Navy Petroleum Office's 17<sup>th</sup> Commanding Officer. CAPT Falconer passed away of a heart attack on 26 May. Memorial services were held at the Advent Lutheran Church in Orange Park, Florida, on 29 May and an inurnment ceremony was held at the U.S. Naval Academy's Columbarium on 2 October. The USNA Class of '61 established a memorial locker at the football facility which includes a plaque highlighting his life, career and football accomplishments. Donations may be sent to the Doug Falconer Memorial Fund in care of Dr. James L. George, 8615 Timber Hill Lane, Potomac, MD 20854

## (FAS)CINATING DEVELOPMENTS

(Continued)

I/IIA sites began in January 99. Sites will receive a compact disk (CD) containing the new software, instructions for installation, and a revised users manual reflecting the software changes. The major advantage of this new release will be the capability for sites to send DFAMS transactions via the internet versus Dial-Up DADS. Any questions regarding the installation of this new software should be referred to the FAS Help Desk at 1-800-446-4950.

NAVPETOFF continues to work toward the resolution of any FAS related issues. At the NAVPETOFF POL conference held in May, NAVPETOFF FAS team members presented to participants an overview including the status, schedule, points of contact, problem resolution process, and various issues requiring site assistance for FAS. Several breakout sessions on FAS were held to discuss more detailed issues including DFAMS reporting, FCC1023 software improvements, and communications issues including internet connectivity, LAN connectivity, and ATG-FAS connectivity. The final day of the POL conference was held to discuss specific DFSP/FISC FAS issues. As a result of this forum as well as further inputs by Navy FISC sites, NAVPETOFF continues to work with the FAS PMO to pursue a revised solution that will meet our DFSP requirements. Additionally, NAVPETOFF FAS team members continue to track the overall status for all Navy/Marine Corps sites in the areas of usability, interoperability with DADS, UADPS, etc.

Many of you have received requests for survey of your sites by SPAWAR command personnel. The information gathered from this survey is crucial to the continued successful FAS deployment at Phase IIB sites. SPAWAR surveys are planned to provide information on Automated Fuels Service Station (AFSS) requirements, small tank automated tank gauging (ST/ATG) requirements, FAS-ATG connectivity requirements, and the initial load of site specific data being compiled for use as a future web based information tool linking to the DESC

website to provide a smoother MR&E project request process. NAVPETOFF continues to work with the FAS PMO on the planning for implementation of FAS Phase IIB.

Finally, in preparation for the completion of development of the FAS Enterprise system, NAVPETOFF has been compiling a Navy/Marine Corps Business Rules and Process document to address those process flows that are needed in order to process and audit FAS Base Level trans-

Continued on Page 9

## GROUND FUEL TAX REFUNDS

Ground fuels (gasoline and diesel fuel) purchased by Navy and Marine Corps commands contain within their purchase price federal and state fuel excise taxes. However, taxes paid for fuel used in vehicles which are only driven on base or are off-road vehicles can be recouped. The Naval Audit Service concluded in an audit report dated 31 October 1997 that many Navy and Marine Corps activities simply fail to file for these federal and/or state tax refunds. The Navy Audit Service also estimated that this inaction has resulted in a loss of up to \$3 million to the Defense Fuel Stock Fund. The following information is provided as a guide for Navy and Marine Corps activities filing for these refunds.

**Federal excise tax refund background and procedures:** The Internal Revenue Service (IRS) allows military commands to file refund claims (IRS Form 8848 and IRS Pub 378) for taxes paid on ground fuels used exclusively on-base. While it is recognized that record keeping is difficult to prove that military vehicles have never been operated off-base, there are obvious locations eligible for exemptions of which attention should be directed. They are:

- Bases or locations surrounded by water where such isolation prevents off-base usage (i.e., NALF, San Clemente Island).
- Large bases/areas where significant ground usage is required simply to tra-

**GROUND FUEL TAX REFUNDS**

(Continued)

verse the facility (i.e., 900 sq mile USMC 29 Palms).

c. Certain types of equipment or vehicles that would always remain on-base (i.e., floating barges, air ground support equipment, forklifts, cranes, road graders, aircraft refuelers, etc.).

d. Fuel used for utilities such as in boilers or generators.

The statute of limitations for filing federal refund claims is 3 years after the close of the fiscal year. The Defense Energy Support Center (DESC) has assumed responsibility to file for federal excise tax refunds for all DoD activities commencing with FY97. However, individual military commands remain responsible for submitting claims for FY95 and FY96. IRS Publication 387 provides required details on filing claims. The federal excise tax on a gallon of MOGAS and diesel fuel procured before January 1996 is \$0.184 and \$0.244, respectively. The federal excise tax on a gallon of MOGAS and diesel fuel procured after January 1996 is \$0.183 and \$0.243, respectively.

**State excise tax refund background and procedures:** Thirteen states impose some type of excise tax on ground fuels used on public highways. While six of these states provide a full refund for certain fuel types based upon proof of fuel purchase, seven states require proof that the fuel was used exclusively on-base before offering refunds. Of the remaining states, most will allow military commands to purchase ground fuel tax-free if they meet certain requirements. Refund filing procedures (forms), statute of limitations and tax refund rates vary significantly by fuel type and from state to state. Specific information and filing details/requirements can be obtained from your local state tax office. Most base legal offices can also be contacted for assistance. The following states offer excise tax refunds for certain product types based upon proof of purchase. DESC assumed refund filing responsibility for these states and product type as follows:

| <u>State</u> | <u>Product</u> | <u>Time-frame</u> | <u>Tax rate/gal</u> |
|--------------|----------------|-------------------|---------------------|
| Arizona      | MOGAS          | after 1 Jan 98    | \$0.18              |
| Idaho        | diesel         | after 1 Jul 97    | \$0.25              |
| Iowa         | MOGAS/diesel   | after 1 Jan 96    | \$0.225/\$0.200     |
| Montana      | diesel         | after 1 Jan 95    | \$0.2775            |
| Nevada       | diesel         | after 1 Jul 96    | \$0.27              |
| Utah         | diesel         | after 1 Jul 97    | \$0.245             |

Subject to individual state requirements and statute of limitations, individual military activities located in states listed above are required to file state excise tax refund claims for periods prior to DESC assumption dates. The following states require proof that specific product types were used exclusively on-base. Individual commands are requested to file for these excise tax refunds as follows:

| <u>State</u> | <u>Product</u> | <u>Time frame</u>                  | <u>Tax rate/gal</u> |
|--------------|----------------|------------------------------------|---------------------|
| Arizona      | diesel         | 1 Oct 95 to 1 Jan 98               | \$0.18              |
| Arizona      | diesel         | after 1 Jan 98                     | \$0.27              |
| Arizona      | MOGAS          | FY96/FY97/1 <sup>st</sup> qtr FY98 | \$0.18              |
| California   | MOGAS          | FY96/FY97/FY98                     | \$0.18              |
| Idaho        | MOGAS          | FY96/FY97/FY98                     | \$0.25              |
| Montana      | MOGAS          | FY96/FY97/FY98                     | \$0.27              |
| Oregon       | MOGAS          | FY96/FY97/FY98                     | \$0.24              |
| Washington   | MOGAS          | FY96/FY97/FY98                     | \$0.23              |
| Wyoming      | diesel         | FY96/FY97/FY98                     | \$0.08              |

All tax refunds received by the activity for taxes paid prior to 1 October 1996 should be credited to the Navy appropriation which originally funded the fuel purchases. Care must be taken to match the refunds to the correct fiscal year. All refunds received for taxes paid after 1 October 1996 shall be forwarded to the Defense Finance and Accounting Service (DFAS), P.O. Box 182317, attn: DFAS-CO-SFAA, Columbus, Ohio 43218-2317. In all cases, activities shall notify NAVPETOFF on any tax refunds (federal or state) received and the amounts forwarded. To ensure potential refunds are not lost due to the expiration of the statute of limitations, all military activities must file for tax refunds at the earliest opportune time. Major claimants are required to follow-up on the filing of FY95 and FY96 federal excise tax refunds and continually monitor the filing of state excise tax refunds by their subordinate commands. NAVPETOFF point of contact is Mr. Herb Proksch, DSN 427-7358, COM 703-767-7358, fax (24 hours) x7389/X7329, and email herb\_proksch@navsup.navy.mil.

## MRE PROGRAM

**M**ost people who work at Navy fuel terminals are familiar with the DESC sponsored Maintenance, Repair and Environmental (MRE) program. They may also be aware of the fact that funds for this program are generated by placing a surcharge on the standard price of fuel. A fact that is generally not known or understood is that each of the three general types of MRE projects (maintenance, repair and minor construction) has its own color of money, definition, funding levels and approval process. The following is a brief summary of these three types of projects.

**MAINTENANCE** – A maintenance project must meet the definition for maintenance found in DoD 4140.25M, Chapter 8, Section L.3.c. DESC can approve and fund this type of project without DLA approval, regardless of its size.

**REPAIR** – A repair project must meet the definition for repair found in DoD 4140.25M, Chapter 8, Section L.3.d. If the total cost of this type of project exceeds \$750K, design documentation must be forwarded to DLA for review and approval. If the cost exceeds \$5M, then design documentation must be forwarded to OSD. The important fact, which must be considered when developing a time line for the execution of this type of project, is that at least a month has to be added for a DLA review. Two additional months should be added if the project has to be forwarded to OSD for approval.

**MINOR CONSTRUCTION** – A minor construction project must meet the definition for minor construction found in DoD 4140.25M, Chapter 8, Section L.3.b. There are two factors that impact on the funding and execution of minor construction projects. The first factor is the approval level. If the cost for this type of project exceeds \$300K, DESC will forward it to DLA for approval. This fact could add at least a month to the project approval time. The second factor that impacts on minor construction projects is

the type of funds used. If the total cost of the project is less than \$100K, DESC can approve and fund it using MRE funds. Projects over \$100K are funded as capital improvements. Funds for this program are provided to DESC by OSD on an annual basis. Unlike MRE funds, which are generated by a fuel surcharge, these funds are limited (approximately \$14M/yr) and they expire at the end of each fiscal year. For this reason, it is important to request and obligate these funds as early in the fiscal year as possible.

Activities also need to consider the following factors, which impact on the funding, and approval of MRE projects:

**COMBINED FUNDING** – There are many projects which use a combination of two or more different types of fundings (i.e., maintenance and repair, minor construction and repair, etc.). When dealing with this type of project, project definitions and funding levels are the same as the definitions and funding levels for each of its parts. An example of this might be an MRE project that includes both repair and maintenance. In this case, each funding type must meet the appropriate definition and funding level. In addition, the most stringent funding type governs the approval process. If the repair portion of this example is greater than \$750K, then the entire project must be forwarded to DLA or higher authority for review and approval.

**COMBINED DESIGN** – A routine practice for the design of MRE projects is to have one design package for several projects. An important factor to consider is the fact that, if one or more projects in the design package must be forwarded to DLA or OSD for review and approval, the execution of ALL of the projects in the design package will be delayed.

## THE KANSAS JAYHAWK CORNER

**T**he fuelie rolls once again grew with the latest infusion of new blood from this spring's University of Kansas commencement ceremonies. Fresh out of school with Petroleum Management MBA degrees are LCDR Charlotte Smith (Fuel Director at FISC Puget Sound), LCDR Chris Bower (Fuel Director at Diego Garcia), LCDR Jeff Baquer (COMFAIRMED staff), and LT Paul Amodio (USS JOHN F. KENNEDY). Congratulations on your hard earned degrees and good luck at your newest Navy jobs!

Continuing our efforts to improve the training of our KU students during the dog days of summer, NAVPETOFF initiated an orientation course which familiarized our newest fuelies on the basics of the DESC mission and Navy fuel operations. A special one week course was developed by retired fuelies Mike Hooth and Chris Lamont which covered both the wholesale and retail ends of fuel procurement, storage and distribution. Well received by four of our POL interns and another four senior KU students, the course will serve as a template for future fuelie familiarization training.

We also welcome five of our newest members into the Kansas Petroleum Management program. With this fall's commencement of classes, our newest fuelies-to-be include LCDR John Santosalvo, LCDR (sel) Rudy Geisler, LCDR (sel) Walter Robohn, LT Robert Hammond and LT David Wasberg. Rockchalk Jayhawk!



## STANDARD PRICING FOR FUEL (FY99)

**S**tandard fuel prices are established to provide stability in the budget process, consolidate market fluctuations and provide continuity for the customer. Set by the DoD Comptroller's Office (Program/Budget) each fiscal year, these prices are based on national fiscal policies, logistic costs and fuel market projections. They include costs associated with fuel procurement, distribution, storage and operations, MRE projects, and DESC overhead.

The standard prices for FY 99 become effective 1 October 1998 and remain the same throughout the entire fiscal year. The DTG of the annual message, which announces the new fiscal year's standard prices, is NAVPETOFF 041106Z Sep 98. A brief listing of the most commonly used products is provided below. Activities requiring more information may contact Kelli Thorpe at DSN 427-7349, commercial 703-767-7349 or e-mail kelli\_thorpe@navsup.navy.mil.

| <u>PROGRAM</u> | <u>NATIONAL<br/>STOCK<br/>NUMBER</u> | <u>PRODUCT<br/>CODE</u> | <u>UNIT<br/>OF<br/>ISSUE</u> | <u>FY 99<br/>PRICE</u> |
|----------------|--------------------------------------|-------------------------|------------------------------|------------------------|
| BULK & PCS     | 9130-01-388-4513                     | MMR                     | GL                           | \$0.86                 |
| BULK & PCS     | 9130-01-388-4524                     | MPR                     | GL                           | \$0.93                 |
| BULK & PCS     | 9130-01-388-4080                     | MRR                     | GL                           | \$0.81                 |
| BULK & PCS     | 9130-00-148-7104                     | MUP                     | GL                           | \$0.88                 |
| BULK & PCS     | 9130-00-753-5026                     | JAL                     | GL                           | \$0.81                 |
| BULK & PCS     | 9130-00-359-2026                     | JAA                     | GL                           | \$0.81                 |
| BULK & PCS     | 9130-00-273-2379                     | JP5                     | GL                           | \$0.85                 |
| BULK & PCS     | 9140-00-286-5286                     | DF1                     | GL                           | \$0.76                 |
| BULK & PCS     | 9140-00-286-5294                     | DF2                     | GL                           | \$0.69                 |
| BULK & PCS     | 9140-00-286-5283                     | DFA                     | GL                           | \$0.81                 |
| BULK & PCS     | 9140-01-056-8320                     | DFR                     | GL                           | \$2.22                 |
| BULK & PCS     | 9140-01-079-5805                     | DFW                     | GL                           | \$0.81                 |
| BULK & PCS     | 9140-00-000-0185                     | DL1                     | GL                           | \$0.79                 |
| BULK & PCS     | 9140-00-000-0184                     | DL2                     | GL                           | \$0.72                 |
| BULK & PCS     | 9140-00-000-0186                     | DLA                     | GL                           | \$0.88                 |
| BULK & PCS     | 9140-01-413-7511                     | DLS                     | GL                           | \$0.72                 |
| BULK & PCS     | 9140-01-412-1311                     | DLW                     | GL                           | \$0.79                 |
| BULK & PCS     | 9140-00-273-2377                     | F76                     | GL                           | \$0.80                 |
| BULK & PCS     | 9140-00-247-4366                     | FS1                     | GL                           | \$0.78                 |
| BULK & PCS     | 9140-00-247-4365                     | FS2                     | GL                           | \$0.68                 |
| BULK & PCS     | 9140-01-398-1422                     | HS1                     | GL                           | \$0.75                 |
| BULK & PCS     | 9140-01-398-1395                     | HS2                     | GL                           | \$0.68                 |
| BULK & PCS     | 9140-01-068-6903                     | FOR                     | GL                           | \$0.35                 |
| BULK & PCS     | 9150-00-985-7031                     | LA6                     | GL                           | \$3.05                 |
| BULK & PCS     | 9150-01-430-2884                     | LA7                     | GL                           | \$3.05                 |
| BULK & PCS     | 9150-00-181-8232                     | LO6                     | GL                           | \$2.43                 |
| BULK & PCS     | 9150-01-372-6915                     | LTL                     | GL                           | \$2.43                 |
| BULK & PCS     | 9130-01-031-5816                     | JP8                     | GL                           | \$0.83                 |
| BULK & PCS     | 9130-01-272-0983                     | MUM                     | GL                           | \$0.84                 |
| BULK & PCS     | 9130-00-148-7103                     | MUR                     | GL                           | \$0.79                 |
| BUNKERS        | 9140-01-313-7776                     | MGO                     | GL                           | \$0.75                 |
| BUNKERS        | 9140-01-417-6843                     | MGO                     | MT                           | \$236.48               |
| BUNKERS        | 9140-01-447-1031                     | B76                     | GL                           | \$0.80                 |
| BUNKERS        | 9140-01-235-2882                     | 380                     | GL                           | \$0.48                 |
| BUNKERS        | 9140-01-271-5280                     | 180                     | GL                           | \$0.48                 |
| BUNKERS        | 9140-01-417-6632                     | 380                     | MT                           | \$130.39               |
| BUNKERS        | 9140-01-417-6645                     | 180                     | MT                           | \$131.56               |

The into-plane standard fuel price for FY 99 is \$1.06.

## A-76 STUDIES UPDATE

**O**n June 5, 1998, the Commander U.S. Naval Forces Marianas (COMNAVMARIANAS) announced the final decision that the Navy would retain in-house the fuel management functions at DFSP Guam. This was a culmination of an Office of Management & Budget (OMB) Circular A-76 competition study that commenced January 8, 1997. The tentative decision was announced January 6, 1998 but a subsequent appeal by the competing contractor resulted in delaying the final decision announcement. The government cost for the 5-year period of \$4,756,373 compared to the "Best Value" contractor's proposal cost of \$4,971,421. The civilian employee Most Efficient Organization (MEO) consists of 11 employees. This competitive sourcing study resulted in a 48% savings.

The status of Commercial Activities A-76 studies ongoing at FISC Fuel Departments is:

NAVSUP announced on 29 January 1999 that the Navy will contract out the fuel management functions at the Fleet and Industrial Supply Center (FISC) Norfolk, VA. After appropriate congressional certifications, the five year contract (\$15.2M) will be awarded to Trajen, Inc., of Bryan, TX. This decision is the result of a competitive study conducted in accordance with the Office of Management and Budget Circular A-76.

NAVSUP announced on 19 February 1999 that the Navy will retain in house the fuel management functions at the Fleet and Industrial Supply Center (FISC) Jacksonville, FL. This decision is the result of a competitive study conducted in accordance with the Office of Management and Budget Circular A-76. The tentative decision to retain in house the operation was made after the detailed study indicated it was more cost effective to continue to perform the functions with government personnel (In-house cost of \$6.58M for 5 years).

DFSP Pearl Harbor, DFSP Puget Sound

Continued on Page 9

Continued on next page

**DFSP Guam**  
(Continued)

and DFSP San Diego. The Solicitation was issued October 13. Amendment 0001 was issued December 18. The solicitation closed February 8 and is available for download from the DESC Internet site at [http://www.desc.dla.mil/main/solic\\_f.htm](http://www.desc.dla.mil/main/solic_f.htm). A tentative decision is anticipated July 1999.

KPMG Peat Marwick et. al. provided

support in developing the Performance Work Statement (PWS), Quality Assurance Surveillance Plan (QASP) and the Management Plan, i.e., government proposal. NPO POC is Mr. Larry Long, (703)-767-7377, DSN 427-7377 or email [larry\\_long@navsup.navy.mil](mailto:larry_long@navsup.navy.mil).

**Standard Prices (FY99)**  
(Continued)

The Navy Petroleum Office Notice 4265, "Revised DoD Standard Prices and Pricing Guidance for Petroleum Products" should arrive at your activity in October or may be accessed via the NAVPETOFF website at [www.navpetoff.navy.mil](http://www.navpetoff.navy.mil).



## 1998 API AWARD CEREMONY



**P**articipation in the 1998 API award program was the best ever in the 10-year history of the award. From the 65 activities eligible to participate in the program, 35 activities submitted nomination packages. Centrally presented for the first time during this spring's Navy and Marine Corps POL Conference, guest speakers and presenters included Mr. Red Cavaney (President and CEO of the American Petroleum Institute), RADM David R. Ruble (Fleet Supply Officer, CINCLANTFLT), and BGEN Paul M. Lee (Director, I&L, HQMC). Further details and photos can be viewed in the July/August edition of the Navy Supply Corps Newsletter.

better opportunity than the API award program to "toot your horn" on the great things that your fuel operation accomplished during CY98. As a reminder, NOW is the time to start collecting data and preparing for the 1999 award. For questions or assistance, NAVPETOFF POC is Herb Proksch, DSN 427-7358, COM 703-767-7358, or e-mail [herb\\_proksch@navsup.navy.mil](mailto:herb_proksch@navsup.navy.mil).



*NAS North Island received the top Naval Aviation Activity award. Pictured from left to right are RADM Ruble, CINCLANTFLT; John Clanton, LCDR Dykstra, Mr. Cavaney, President and CEO of API; John Stuart, George Cook, and CAPT Carpenter, NAVPETOFF.*

**Winners and Runners-up were:**

**Navy Bulk Fuel Terminal**

Winner: FISC Yokosuka, JA  
Runner-up: U.S. Naval Air Station Rota, SP

**Naval Aviation Fuel Activity**

Winner: NAS North Island, CA  
Runner-up: NAS Kingsville, TX

**Marine Corps Fuel Activity**

Winner: MCAS Cherry Point, NC  
Runner-up: MCAS Beaufort, SC



*FISC Yokosuka received the top Navy Bulk Fuel Terminal award. Pictured from left to right are RADM Ruble, CINCLANTFLT; Mr. Cavaney, President and CEO of API; Mr. Minami, General Manager; CDR Kyung Moon, Sasebo OIC; and LCDR Doug Newell, Fuel Director.*



*MCAS Cherry Point received the top Marine Fuel Activity award. Mr. Cavaney, pictured center with BGEN Bowden, BGEN Lee, CDR Roe, and the entire MCAS Cherry Point Fuel Team. Also pictured far right is CAPT Carpenter and RADM Ruble.*

As we prepare for CY99, there is no



## WATER FINDING PASTES

**T**he incompatibility of the fuel system icing inhibitor, FSII, DiEGME, with certain water finding pastes is a well-known phenomenon among fuel operators. Not all water finding pastes will indicate the presence of water in fuel that contains DiEGME. A relatively small amount of water can cause large amounts of the additive to separate from the fuel and mix with the water at the bottom of the storage tank. This mixing can interfere with some types of water finding pastes to produce a false result. During the last Defense Energy Support Center Fuel Quality Conference held in June 1998, the following four products were determined to be acceptable.

1. Testmaster Water Finding Paste, conforms to MIL-W-83779  
NSN: 6850-00-001-4193 for 2.5 oz jars  
NSN: 6850-00-001-4194 for 1.0 oz tubes

Stewart Hall Chemical Corporation  
222-T Washington St.  
Mount Vernon, NY 10553-1085  
Voice: (914) 668-6300  
Fax: (914) 668-7862  
Houston Customer Service: (800) 231-3345 or (713) 928-6423

### 2. SAR-GEL Water Finding Paste

Sartomer Company  
502 Thomas Jones Way  
Exton, PA 19341  
Voice: (610) 363-4100  
Fax: (610) 363-4174  
Phone, general information: (800) SARTOMER  
Phone, technical information: (800) 949 OLIG  
Internet: <http://www.sartomer.com/sargel.htm>

### 3. Kolor Kut Modified Water Finding Paste, conforms to MIL-W-83779

Kolor Kut Products Co.  
P.O. Box 5415  
Houston, TX 77262  
Voice: (713) 926-4780  
Fax: (713) 928-9025

### 4. "Vecom"

"water finder special" "nieuw"(sic) 70 gram tube  
Available in Europe.

## (FAS) CINATING DEVELOPMENTS!

(Continued)

actions at the Load Balancing Server (LBS). Thanks to all the site personnel that spent time assisting our Navy Business Rules developer during his site interviews at representative Navy/Marine Corps sites.

As always, if any questions or issues arise concerning the ever complex topic of the Fuels Automated System (FAS), please call me, Lynn Yothers, at 703-767-7334, DSN 427-7334, or email me at [lynn\\_yothers@navsup.navy.mil](mailto:lynn_yothers@navsup.navy.mil). Tom McGarry, TRW, serves as the FAS Navy representative and can also be of assistance. Tom can be reached at

## WELCOME ABOARD TO NAVPET'S NEW ADDITIONS!!



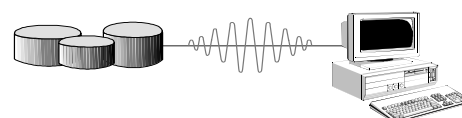
**MS. SHERRY WILLIAMS  
CODE PSPA, CHEMIST  
PETROLEUM SYS DIV.  
(703) 767-7341/DSN 427**

**LT TARSHA STACY  
CODE 01T, POL INTERN  
(703) 767-7356/DSN 427**

**ABFC TYRONE CRAWLEY  
CODE FME, FLT FUEL SYS.  
SPEC.  
FUEL MANAGEMENT DIV.  
(703) 767-7361/DSN 427**



(703) 767-8610 or email at [tmcgarry@desc.dla.mil](mailto:tmcgarry@desc.dla.mil).





***“A FUELIE’S FAREWELL”***



**O**n 26 June 1998 I relinquished command of Navy Petroleum Office to Captain Stu Funk and left the Naval Service thankful for the opportunity to have served as one of the 21 Commanding Officers of such a fine organization. As I said during the Change of Command, I would like to thank all of the fuel professionals, friends and shipmates for the continuous support I received during my three years as Commanding Officer. I am proud to have worked with such a dedicated group of functional experts and true professionals.

Over the past several years I have witnessed first hand numerous major achievements in fuel management by the Navy and DoD and continue to see remarkable improvements being made at our facilities worldwide. I am happy to have been a part of those completed initiatives and the development of those ongoing strategic goals still being pursued. Major strides have been made in the shaping of fuel policy, infrastructure

improvements, direct fleet support upgrades, quality enhancements and cost savings. This, of course, was coupled with customer support enhancements and technological advances in fuel handling, storage and distribution. All of these initiatives provide a strong foundation for the Navy’s fuel support as we move to the 21st century poised and confident.

I would like to close with a special farewell and thanks to the men and women of NAVPETOFF who have given their best throughout my tour as CO. For each I officer my sincere appreciation. To the fuel professionals in the Fleet, at the terminals, and on Navy and Joint staffs, I would also like to express my thanks for your efforts in helping to make my job easy and for playing such a vital role in helping the Navy and DoD accomplish the single mission of fuel support to the warfighter. You all are “world class”.



**CAPT L. H. CARPENTER, SC, USN**  
**21<sup>ST</sup> COMMANDING OFFICER,**  
**NAVY PETROLEUM OFFICE**

**FOR MORE FUEL RELATED INFO VISIT NAVPETOFF’S  
WEBSITE AT**



**<http://www.navpetoff.navy.mil>**

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